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**TESTIMONY OF SHELDON TOUBMAN BEFORE THE COMMITTEE ON AGING
IN SUPPORT OF HB 6461 (PRESUMPTIVE ELIGIBILITY) AND IN OPPOSITION
TO SB 882 (ESTABLISHING A PACE PROGRAM WITHOUT A WAIVER)**

Members of the Committee on Aging:

My name is Sheldon Toubman and I am an attorney with New Haven Legal Assistance Association. I am here to testify **in support of HB 6461**, the bill establishing a program of presumptive eligibility for applicants for the Connecticut Home and Community Based Services waiver program, and **in opposition to SB 882**, which would authorize a capitated program for severely disabled individuals under the Medicaid program without having to go through any waiver process.

Support for HB 6461

Unfortunately, the severe delays in processing Medicaid applications at DSS persist, because DSS has failed to hire sufficient staff to keep up with the growing caseload. In light of that failure, individuals who need, have applied for and are **eligible** for the Conn. Home Care Program for Elders as an alternative to nursing home placement are going without any action on their applications for months on end, notwithstanding a 45 day federal law deadline.

Although about 220 new eligibility workers were hired last year and that may sound like a lot, this brings DSS only up to about **880** eligibility workers. This needs to be put in context:

- 11 years ago, DSS had **845** eligibility workers and then the numbers dropped as successive administrations took no action to replace departing or transferring workers
- 11 years ago, there were about 326,000 Medicaid enrollees; today there are about 612,000 enrollees, an approximate **88% increase**
- 11 years ago, there were about 13,000 Medicaid applications per month; today, there are about 23,000 applications per month, about a **77% increase**
- So just to keep up with the level of processing in 2002, DSS would need to hire about 677 (77% of 880) new eligibility processing employees on top of the 880 current such employees

- Although DSS is working on a modernization program (ConneCT) which we all hope will be successful, even its most optimistic estimate shows an efficiency savings, when modernization is ultimately completed, of 395 employees, **leaving a deficit of about 282 eligibility employees, just to get us to where we were in 2002 before the large drops in staffing began to occur**
- The 395 figure also is wildly high; even DSS acknowledges the likely efficiency gains to be more modest -- in the mid 200s range.

Accordingly, new hiring at DSS is clearly necessary, notwithstanding the Governor's order to all Commissioners that they are prohibited from asking for new staff. I have urged the Appropriations Committee to include an increased appropriation for DSS eligibility staffing, substantially beyond what the administration has requested.

But, in any event, presumptive eligibility, as provided in HB 6461, is an appropriate way of helping to address a severe backlog in processing one set of Medicaid applications, those of elderly individuals in need of home care services, and avoiding expensive, often-irreversible institutionalizations that happen as DSS is unable to timely act on their applications. This will dramatically streamline a quick assessment of probable eligibility for this waiver program. Since the vast majority of the individuals who will qualify for presumptive eligibility under this bill are in any event going to be found to be eligible for Medicaid, retroactively, the vast majority of the cost of this will be covered by the Medicaid program, reimbursed by the federal government at the usual 50% rate. And institutionalizations avoided means additional money saved under Medicaid.

Need for Increased Revenues

Finally, I would like to note that I recognize that it costs something to hire additional DSS staff and that this is why the Governor has barred his commissioners from seeking additional staff. But this is why it is essential to look at the revenue side of the equation, such as making the state income tax more progressive and asking the well off in the state to pay marginal tax rates comparable to those paid in our neighboring states.

Opposition to SB 882

I also oppose SB 882, which would **require** a PACE program for severely disabled individuals threatened with nursing home placement. While the development of alternatives to nursing home placement for Medicaid enrollees is laudable, this is not the way to do it. PACE programs are fully capitated, which means that extremely frail individuals are at the mercy of entities, profit or otherwise, with a powerful financial incentive to restrict access to care because every dollar spent comes out of the entity's bottom line. In Connecticut, we have recently moved away from such entities because they inappropriately restrict access to care and often end up costing more to the taxpayers in the long-run.

In addition, DSS is already working on a broad program of care management for these individuals who are dually eligible, including individuals threatened with nursing home placement. This duals demonstration project has been developed following extensive stakeholder input over more than a year under the auspices of the Complex Care Committee of the Council on Medical Assistance Program Oversight. CMS has recently indicated it will be approving this demonstration project, which includes health neighborhoods incentivized to provide coordinated care as effectively and efficiently as possible.

By contrast, SB 882 would require the adoption of a mere state plan amendment to create a PACE program with no input at all from the public, in place of language which authorized such a program only under a waiver, which requires extensive public input. Accordingly, this bill is fundamentally flawed, both in substance and procedure, and I urge its rejection.

Thank you for the opportunity to speak with you today.

